

CITY OF FRANKLIN
EMPLOYEES' PENSION PLAN

SUMMARY PLAN DESCRIPTION

JANUARY 1, 2012

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Your Retirement Plan

The City of Franklin Employees' Pension Plan (the "Plan") is an important part of your total compensation package today and will assist in providing you income during retirement. The Plan has been amended and restated in its entirety effective as of January 1, 2010, and was most recently amended again effective as of September 1, 2011. In addition to the basic pension benefit, the Plan also provides some participants with cash balance accounts, funded by employee contributions on a pre-tax and post-tax basis. This Plan covers all regular, full-time employees. Temporary employees and employees whose employment with the City is governed by a collective bargaining agreement are not covered by this Plan. Any department head and the City Administrator, hired on or after July 1, 1995, are covered by a separate retirement plan sponsored by the City if they elect not to participate in this Plan.

This booklet, called a summary plan description, summarizes your benefits under the Plan. It explains the Plan's basic features and your rights as a plan participant. The Plan document, which governs in the case of any discrepancy with this summary, contains a full explanation of all the Plan's features. If you have any questions about your retirement benefits, or would like a complete copy of the Plan document, contact the Human Resources Department. Capitalized terms not otherwise defined in this booklet shall have the same meaning as set forth in the Plan.

Eligibility

If you were first hired by the City before February 15, 2010, you become a participant in the Plan after you complete a year of Credited Service with the City as a Regular Employee, as designated by the City. You are a Regular Employee if you have a full-time position that is designated as a Regular position by the City and you work at least thirty (30) hours per week. Credited Service for purposes of eligibility to participate in the Plan includes only service that you have completed as a Regular Employee. Credited Service for purposes of eligibility under the Plan does not include any service that you have completed as a Temporary Employee. A year is the 12-month period of continuous service as a Regular Employee beginning with your date of hire. You will begin to participate in the Plan on the first day of the month following, or the same date as, the first anniversary of your date of hire. If you do not remain continuously employed with the City as a Regular Employee during the 12-month period ending with the first anniversary of your date of hire, you will have to wait at least another year to begin participation. You can become a participant following any subsequent 12-month period beginning with the anniversary of your date of hire, provided that you remain continuously employed with the City as a Regular Employee during those 12 months.

If you were first hired by the City on or after February 15, 2010, you are eligible to participate in the Plan upon commencement of employment with the City as a Regular Employee (but see the section "Entry Into the Plan" for information about election requirements to begin participation in the Plan).

Entry Into The Plan

If you were first hired by the City before February 15, 2010, within 30 days after receiving a notice from the City of eligibility to participate in the Plan, you must complete an application form provided by the City for that purpose. If you were first hired on or after July 1, 1995, and satisfy the eligibility requirements, then you are required to participate in the Plan as a condition of employment. You will enter the Plan on the first day of the month coinciding with or following the date you satisfy age and service requirements. If you are classified as a Director or higher ranking position and were employed after July 1, 1995, you may opt out of this Plan. The Plan Administrator will explain your options to you.

If you were first hired by the City on or after February 15, 2010, you commence participation in the Plan as of the first day of the month immediately following the commencement of your employment with the City, provided that you make a timely election to participate in the Plan. Such election must be made in a form and manner acceptable to the Plan Administrator.

Vesting After Five Years

If you terminate your employment with the City for reasons other than death or qualifying for normal or early retirement under the Plan, you will only be entitled to your “vested percentage” of your employer-provided benefits under the Plan. Shown below is the Plan’s vesting schedule:

| <u>YEARS OF CREDITED SERVICE</u> | <u>VESTING PERCENT</u> |
|---|-------------------------------|
| <i>Less than 5 years</i> | <i>0%</i> |
| <i>5 years</i> | <i>100%</i> |

A year of Credited Service for purposes of vesting under the Plan is 12 months of completed service while employed by the City as a Regular Employee. Credited Service for purposes of vesting under the Plan does not include any service that you have completed as a Temporary Employee.

Once you have completed 5 years of Credited Service, you become fully vested. You will become 100% vested automatically if you work until you are eligible for normal or early retirement. Keep in mind that you are always 100% vested in your cash balance account, if any, which consists of your contributions to the Plan.

Breaks In Employment

A break in employment occurs as of the date you are no longer continuously employed by the City as a Regular Employee. Upon your reinstatement in a Regular position as designated by the City, you will be eligible to accrue retirement benefits upon your rehire date unless you received your benefits in a lump sum or are currently being paid a monthly benefit. If your total number of consecutive One Year Breaks in Employment exceeds the greater of your years of Credited Service as a Regular Employee or five (5) years, you will lose the earlier vesting credit you had earned. If you have at least five (5)

years of Credited Service, then you will never lose that service no matter how many One Year Breaks in Employment you have.

For example, if you had two (2) years of Credited Service as a Regular Employee and then were no longer employed by the City as a Regular Employee for five (5) years, you would lose your two (2) prior years of vesting credit. On the other hand, if you had two (2) years of service and then a One Year Break in Employment before returning to the City as a Regular Employee, the two (2) years would count in determining when you would become vested.

Keep in mind that, once you have completed 5 years of service and are vested, you have earned your right to Plan benefits, regardless of a break in employment.

Qualified Leaves of Absence

A qualified leave of absence is any absence from work:

- (1) for a period of less than one (1) year with the consent of the Plan Administrator and City Administrator (under certain circumstances the Plan Administrator and City Administrator may consent to extend the period);
- (2) due to an occupational injury or disease that entitles you to workers' compensation;
- (3) for parental leave related to pregnancy or the birth of your child, the placement of an adopted child in your home, the care of the child immediately after birth or placement in your home, or other authorized absences according to the Family and Medical Leave Act of 1993.

You will receive Credited Service in an amount that enables you to avoid a One Year Break in Employment during a leave of absence due to any one of these reasons.

Credited Service may also be available for periods of qualified military service, if you return to work within the time period prescribed by Federal law.

Benefit Structure

The amount of benefits you receive when you retire depends upon when you were hired, when you retire, and what, if anything, you have contributed to the Plan. The basic benefit structure has two benefit formulas, depending upon your date of hire and your date of retirement. The second structure is based on your contributions to "cash balance accounts" under the Plan, if any, and will earn interest.

Calculating Your Basic Benefit

Your basic benefit is the amount you receive each year from the Plan if you are eligible for normal retirement and are paid under the life annuity method. The actual annual amount you receive will vary depending on your age at retirement, whether you commenced employment before, on or after July 1, 1995, and whether you retire or

otherwise terminate employment before, on or after July 1, 2003. If you were first hired by the City before February 15, 2010, you contribute nothing to the basic benefit structure; it is funded entirely by the City of Franklin. If you were first hired by the City on or after February 15, 2010, you must make a mandatory contribution to the Plan equal to 5% of your annual Covered Compensation.

Your basic benefit is calculated using the Plan's benefit formula. The formula has several terms that need to be defined:

- * *Covered Compensation* includes base salary, overtime pay, bonuses, shift differential, holiday pay, fringe benefits (cash or non-cash), deferred compensation and welfare benefits. It does not include reimbursements or other expense allowances, moving expenses, uniform allowances, supplemental pay for police and firefighters, long term disability payments, pay in lieu of notice, severance pay, tuition reimbursements or automobile allowances.
- * *Year of Credited Service* is 12 months of completed service while employed by the City as a Regular Employee. Credited Service may be expressed in whole or partial years.
- * *Average Compensation*: if you were first hired by the City before February 15, 2010, your Average Compensation is the average of your salary for the highest three (3) consecutive calendar years over your last ten (10) complete calendar years of employment with the City as a Regular Employee. If you were first hired by the City on or after February 15, 2010, your Average Compensation is the average of your salary for the highest five (5) consecutive calendar years over your last ten (10) complete calendar years of employment with the City as a Regular Employee. If your last year of employment would result in a greater benefit, even if it is not a full calendar year, then that year's compensation will be used in the formula. Federal law places a cap on the amount of compensation used in calculating your final average earnings. If this cap applies to you, you will be notified.

Benefit Formula

The City of Franklin's basic benefit has two (2) benefit formulas, depending upon when you were hired and when you retire:

I. If You Retire Prior to July 1, 2003:

If you began employment before July 1, 1995: You will receive a monthly benefit equal to the greater of (i) two percent (2%) of your Average Monthly Compensation multiplied by your years of Credited Service with the City, minus 50% of your Primary Insurance Amount (PIA) from Social Security (or monthly Social Security benefit), or (ii) one percent (1%) of your Average Monthly Compensation multiplied by your years of Credited Service with the City. The minimum benefit you will receive is the same as that for employees hired on or after July 1, 1995.

If you began employment on or after July 1, 1995: You will receive a monthly benefit equal to one percent (1%) of your Average Monthly Compensation multiplied by your years of Credited Service with the City.

II. If You Retire On or After July 1, 2003:

You will receive a monthly benefit equal to two percent (2%) of your Average Monthly Compensation multiplied by your years of Credited Service with the City.

If you leave your employment with the City with a vested benefit before you are eligible for retirement, when you reach age 65 you will be eligible for a benefit calculated according to the benefit formula in effect for you when you terminated employment with the City.

Maximum Benefit

Federal law places maximums on the benefits payable from a retirement plan. Legally, you cannot receive an annual benefit that is greater than these maximums. The Plan Administrator will contact you if these limits affect your benefit.

Your Contributions

Cash Balance Accounts: Your cash balance account is the sum of the following:

Pre-tax Employee Contribution Cash Balance Account. A percent of compensation between three (3) and ten (10) percent that you have elected to defer on a pre-tax basis on a one-time irrevocable basis. This contribution is mandatory for employees hired on or after July 1, 1995, but before July 1, 2001. Employees hired before that date made a one-time irrevocable election to participate in this Plan. These contributions are considered to be “picked up” by the City under Section 414(h)(2) of the Internal Revenue Code. No participants who were first hired by the City after June 30, 2001, are required to make mandatory contributions to the Pre-tax Employee Contribution Account.

Post-tax Employee Contribution Cash Balance Account. A percent of compensation between one (1) and ten (10) percent that you have elected to defer each year on an after-tax basis. This contribution is voluntary for all employees. No participants who were first hired by the City after June 30, 2001 shall be allowed to make post-tax contributions.

Interest. Cash balance accounts will earn interest at 1% above the annual interest rate on 30-year United States Treasury securities as specified by the Internal Revenue Service. This rate is the rate as of November 1 of each preceding year. Your cash balance account will grow at a defined interest rate at no risk to you. Your money and the interest earned on the money can never be lost. The interest rate you earn will never be less than 6%, even if the U.S. Treasury rate falls below 5%.

For example, the November 1, 2010 U.S. Treasury rate was 4.01%; therefore, City of Franklin cash balance accounts earned at the annualized percentage rate of 6% in 2011.

The interest rate for the cash balance accounts in previous years is as follows: for 2006, 6%; for 2007, 6%; for 2008, 6%; for 2009, 6%; and for 2010, 6%.

Cash balance accounts are always your money. If you leave the employment of the City for any reason, including voluntary or involuntary termination, death or disability, before you reach age 55, you can receive all your contributions and interest in a lump sum. You may also be able to roll this money into another qualified plan or leave it to draw interest.

If you leave the employment of the City after reaching age 55 and you have worked for the City for 10 years, you are considered to be retiring. You have a choice of whether to receive a lump sum or have your cash balance account converted to a monthly check guaranteed for life. The Human Resources Department will provide you with a projection of the lump sum or monthly earnings.

Transfer of Pre-Tax Employee Contribution Cash Balance Accounts. If you elected by the date specified by the Plan Administrator to transfer the balance of your Pre-Tax Employee Contribution Cash Balance Accounts and all of your future mandatory contributions, if any, to the City of Franklin Money Purchase Pension Plan, effective as of June 30, 2002, your pre-tax Cash Balance Account was reduced to zero and there will be no future activity in the Cash Balance Accounts either pre-tax or post-tax. The transfer of your Cash Balance Account shall not change in any way any of your benefits under the Plan other than those benefits that would have been provided through your Pre-Tax Employee Contribution Cash Balance Account.

Purchase of Credited Service

Employees who (1) were first hired by the City on or after February 15, 2010; (2) did not elect to participate in the Plan when they were first eligible; and (3) have become fully vested in their account balance under the City of Franklin 2010 Defined Contribution Plan (the “DC Account Balance”) attributable to employer contributions by reason of the completion of five (5) years of service for the City, may make an irrevocable election to become a Participant in the Plan and to purchase up to five (5) Years of Credited Service under the Plan according to the following formula:

Years of Credited Service = 5, multiplied by a fraction, the numerator of which is the amount actually paid by the Employee for the purchase of Credited Service, and the denominator of which is the product of (i) the Employee’s total compensation during the period of his first sixty (60) months of service for the City, multiplied by (ii) 15% (subject to future actuarial adjustment).

Such election must be made in a form and manner prescribed by the City and must be made no later than such time as may be reasonably required by the Plan Administrator. The purchase of Years of Credited Service must be completed no later than the first day of the month following the date that is sixty (60) days after the date that the Employee became fully vested in his DC Account Balance. An Employee who elects to purchase Years of Credited Service in part with funds other than amounts attributable to his DC Account Balance must provide to the Plan Administrator all such necessary funds to

complete the purchase by such date. Amounts used for the purchase of Years of Credited Service shall be used in the following order until each such fund source is exhausted:

- (1) That portion of the DC Account Balance attributable to employer contributions;
- (2) That portion of the DC Account Balance attributable to employee contributions;
- (3) Any other Employee funds.

An Employee who makes the election provided for above shall become eligible to earn additional Years of Credited Service under the Plan as of the effective date of his election to participate in the Plan.

Loans/In-service Withdrawals

Loans and in-service withdrawals are not permitted under this plan.

Direct Rollovers

Certain distributions from the Plan may be eligible for a direct transfer or “rollover” to another plan or an IRA. You should ask your tax advisor before accepting any benefits under the Plan, as the form of benefit you choose can have certain tax consequences.

If you elect to receive a distribution from the Plan that is eligible to be rolled over to an IRA or other retirement plan, you will have to pay federal income taxes on that money. Depending on your age, you may have to pay a penalty equal to 10% of the amount you receive. Also, the IRS requires that 20% of the amount be withheld from the payout to help cover any possible taxes and penalties. This will be fully explained at the time you leave the employment of the City.

Transfer from Qualified Plans

With the consent of the Plan Administrator, you may transfer to the Plan money that you saved in another employer’s tax sheltered retirement plan. The amounts transferred will be set up in a separate rollover account and will generally be treated as all other money in the cash balance accounts.

When You Can Receive Benefits

The monthly retirement benefit you will receive is based on your basic benefit. If you retire before you are eligible for normal retirement, a different percentage of your basic benefit will apply.

I. Normal Retirement:

Your normal retirement date is the first day of the month following or the same as the later of the day you attain age 65 or complete five (5) years of Credited Service as a Regular Employee. For example, if you turn 65 on February 17, your normal retirement date is March 1.

If you were hired by the City before July 1, 2006, regardless of your age, you are also eligible for normal retirement on the first day of the month following or the same as the day you have completed twenty-five (25) years of Credited Service as a Regular Employee.

If you choose to retire when you are eligible for normal retirement, you will receive your basic benefit, adjusted for your payment method. The methods of payment are explained in the next section.

II. Early Retirement:

You can retire early on the first day of any month after you reach age 55 if you have completed 10 years of Credited Service as a Regular Employee. Remember, if you were hired by the City before July 1, 2006, you are eligible for normal retirement, regardless of your age, if you have completed twenty-five (25) years of Credited Service as a Regular Employee. If you retire early, you may defer your benefit until your normal retirement date, without any reduction in your benefit, or you may take the benefit immediately. If you take it immediately, your annual benefit will be reduced, and it will be a percentage of your basic benefit. The percentage you receive depends on the number of years by which you retire early. The reduction is 5% for each year by which your early retirement date precedes your 65th birthday. If you were first hired by the City before February 15, 2010, there is no reduction if you retire early when you are at least 62 years of age and have 20 or more years Credited Service as a Regular Employee. The percentage of your benefit remaining after the reduction is shown in the chart below:

| <i>Number of Years by Which You Retire Early (Fewer Than 25 Years of Service)</i> | <i>Percentage of Basic Benefit</i> |
|---|--|
| 1 | 95 |
| 2 | 90 |
| 3 | 85 |
| 4 | 80 |
| 5 | 75 |
| 6 | 70 |
| 7 | 65 |
| 8 | 60 |
| 9 | 55 |
| 10 | 50 |

III. Delayed Retirement:

You can work past the date on which you are eligible for normal retirement. Your delayed retirement date will be the first day of the month that coincides with or follows the date your employment with the City ends.

If you retire after the date on which you are eligible for normal retirement, your basic benefit and cash balance accounts will be calculated as of the date you retire. The formula will include your total years of service and all salary increases. Your benefit will be adjusted for the payment method you choose.

IV. Ending Your Employment Before Retirement Age:

If you end your employment with the City of Franklin before you are eligible for retirement and you are vested when you leave, you will be eligible to receive benefits at age 65. To receive your benefit in one of the optional payment methods, you must file an election form with the Plan Administrator.

Your basic benefit will be determined as of the year you left the City using your salary, service and the Covered Compensation formula in effect on the date you ended your employment. If you leave before your retirement age, and the value of your vested benefit is no more than \$1,000, the Plan will automatically distribute this amount to you in a lump sum. If you return to employment with the City after receiving a lump sum, you may restore your years of Credited Service for benefit accrual if you repay the lump sum amount distributed to you plus interest. The interest is compounded annually from the date distributed at the rate of 5%. The repayment must be made within five (5) years of returning to work with the City.

Choosing How Your Benefit is Paid

The Plan offers you several different ways to receive your retirement income. When you reach retirement, you can choose the form that best fits your family circumstances and financial needs. However, if you are married, you must have your spouse's written, notarized consent to choose a payment method other than the joint and survivor annuity. Once you begin receiving retirement income, your decision regarding payment is irrevocable.

I. Life Annuity:

The life annuity option pays monthly payments to you for your lifetime. The amount you receive will be your basic benefit reduced if you are retiring early. This is the automatic form of payment if you are single; no election is necessary. If you are married, you must have your spouse's written, notarized consent to choose this method of payment.

II. Joint and Survivor Annuity:

The joint and survivor annuity provides monthly payments for your lifetime and reduced

monthly payments to your beneficiary if he or she survives you. Payments begin on your retirement date and end on the later of your death or your beneficiary's death. The benefit you receive will be our basic benefit amount, actuarially reduced to cover two (2) lifetimes instead of one (1). The actual amount of your reduction will depend upon the relative ages of you and your beneficiary at the time your benefits commence.

If you die before your beneficiary, he or she will receive a percentage of the benefit you had been receiving. You can elect to have 50%, 75% or 100% of your benefit amount paid to your beneficiary. If your beneficiary does not survive you, your monthly benefit remains unchanged.

III. Life Annuity with Guaranteed Number of Monthly Payments:

A life annuity with a guaranteed number of monthly payments provides monthly payments for your lifetime. This method includes a guarantee that a specified number of monthly payments will be made even if you die. You can choose 60, 120 or 180 guaranteed monthly payments. If you die before the full number of payments are made, payments will continue to be paid to your beneficiary. The benefit amount is your basic benefit, adjusted for your retirement date and actuarially reduced to reflect the fact that a specific number of payments are guaranteed. The reduction in your basic benefit will depend on the number of guaranteed payments you select.

If you wish to receive your benefit in this form, you must file a written election before your retirement date. In your election, you must specify the number of guaranteed monthly payments you wish to have and you must name your beneficiary.

IV. Lump Sum:

You may elect to receive your cash balance account in a lump sum. This option is generally not available with respect to your basic benefit (that is, your benefit under the Plan that is not attributable to your cash balance account).

However, if the value of your basic benefit is \$1,000 or less, it will be automatically paid to you in a lump sum.

Moreover, if you terminate service and the value of your basic benefit is \$10,000 or less, you or your beneficiary may elect to receive payment of your benefit in a lump sum.

V. Required Beginning Date:

Regardless of how you choose to receive your benefit, you have to begin to receive benefits no later than your required beginning date. Your required beginning date is generally April 1 of the calendar year following the later of the calendar year in which you retire or attain age 70 ½.

Other Benefits

Disability Benefit

In the event that you become disabled, your benefits will be treated as any other termination or retirement.

Death Benefits

If you die before retiring from the City, your beneficiary may receive a death benefit. If you are married, your spouse automatically receives the benefit.

If you die before you retire and while you are still employed by the City, your spouse (or other beneficiary if you are not married or if your spouse has consented in writing to a different beneficiary) will receive an immediate or deferred basic monthly benefit based on the City's contributions or a lump sum value of your vested accrued benefit, if such benefit has an actuarial value of less than \$25,000. The City's actuary will calculate the benefit using formulas in the Plan. The cash balance account will be paid as a lump sum benefit or may be converted to a monthly benefit.

If you end your employment with the City before you are eligible for retirement and you are vested when you leave, but die before retirement and have not selected a payment option for your benefit, your spouse (or other beneficiary if you are not married or if your spouse has consented in writing to a different beneficiary) is not eligible to receive a benefit under the Plan.

It is important for you to remember that you may designate any person or persons, including a trust, as your beneficiary or contingent beneficiary. The Plan Administrator has forms designed for this purpose. You may change your beneficiary any time before you die without consent of any beneficiary. However, if you are married at the date of death, your beneficiary designation is not effective until the surviving spouse has consented.

If you die after retirement, your basic benefit will be paid as you previously elected under the payment options.

Applying for Your Benefit

Filing a Claim for Your Benefit

To file a claim for your benefit, you must submit a written application to the Plan Administrator at least 30 days before your retirement. Within 90 days, the Plan Administrator will tell you if your request has been accepted or denied. If you are not contacted within 90 days, you should consider your claim denied, and you can request a review of the denial.

If more time or information is needed to process your claim, you will be told how long it is expected to take or what, if any, additional information is necessary. A decision must be made within 180 days from the time you submit your claim.

If your claim is denied, the Plan Administration will state the reason for the denial and the Plan provisions on which the denial is based. You may also be asked for additional information and will be told why the information is necessary. You will also be given an explanation of the appeal and review procedures.

Requesting a Review of a Denial

If your claim is denied, you or your duly authorized representative can ask for a review of the decision by the City of Franklin Employees' Pension and Trust Investment Committee. To do this, you must request a review in writing within 60 days of the denial. You or your authorized representative can examine any documents that relate to the claim and submit written comments.

Within 60 days of your request for a review, the Committee will notify you in writing if:

- * your claim has been reviewed and accepted;
- * your claim has been reviewed and denied, and the reasons for the denial; or
- * more time is needed for the review, including how much time is necessary.

If more time or information is needed to process your appeal, you will be told how long it is expected to take or what, if any, additional information is necessary. Under no circumstances may the Committee take more than 120 days to complete the review.

If you have any questions about filing a claim or requesting a review, you should direct them to the Human Resources Department.

Facts about the City of Franklin Employees' Pension Plan

This booklet describes in non-technical language the main provisions of the City of Franklin Employees' Pension Plan. The official plan documents, which govern the operation of the Plan, are kept on file in the Human Resources Department. If there is any variance between this booklet and the Plan documents, the Plan documents will govern.

Plan Name

The official name of the Plan is the City of Franklin Employees' Pension Plan, but it is frequently referred to in this summary as "the Plan." The Plan is a defined benefit plan with cash balance accounts.

Administrator and Sponsor

The employer is both the Plan Administrator and Plan Sponsor:

City of Franklin
P.O. Box 305
Franklin, TN 37065
615-791-3216

The members of the City of Franklin Employee Pension and Trust Investment Committee (the “Committee”) are named fiduciaries of the Plan and have discretionary authority to manage operation and administration of the Plan. The Committee has the responsibility for the day-to-day operation of the Plan, for the adoption and enforcement of rules for the administration of the Plan, and for the fair interpretation of the Plan’s provisions for all employees. The City Human Resources Director has been designated by the Committee to perform day-to-day administrative services for the Plan.

Plan Numbers

The Plan is identified by the following two numbers:

Employer Identification Number: 62-6000290

Plan Number: 001

Plan Year

The plan year for the Plan is the period January 1 to December 31.

Funding the Plan

The City of Franklin Employees’ Pension Plan is a trusteed plan for eligible employees of the City of Franklin. The cost of the basic benefit structure of the Plan is paid with contributions made by the City of Franklin and participating employees. The cost of the cash balance accounts is funded by the employees, with interest rates guaranteed by the City of Franklin.

Agent for Service of Legal Process

Legal process may be served on:

City of Franklin
109 Third Avenue South
Franklin, TN 37064

Plan Trustee

The City, or any corporation or bank that accepts the role of Trustee under the terms of a written agreement with the City.

U.S. Bank currently acts as the custodian of the Plan Trust pursuant to a written agreement with the City. You can contact the custodian at:

U.S. Bank Institutional Trust & Custody
Kameron George, VP
Relationship Manager
EX-AL-WWPH
2204 Lakeshore Drive, Suite 302
Birmingham, AL 35209
205-802-5509
205-802-5515 fax

Employment Rights Not Implied

Participation in the Plan does not give you the right to be retained in the employ of the City of Franklin, nor does it give you a right to a claim to any benefit to which you are not entitled under the terms of the Plan.

Qualified Military Service

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) guarantees certain rights to eligible employees who enter qualified military service with respect to contributions, benefits, and service credit in accordance with section 414(u) of the Internal Revenue Code. Contact the Plan Administrator for more information.

Future of the Plan

The City of Franklin intends to continue the Plan indefinitely. However, the City reserves the right to amend, modify or terminate the Plan for any reason. In the unlikely event the Plan is terminated, every participant will be fully vested in the value of his or her basic benefit calculated as of the date of the Plan termination. The basic benefits will be valued and distributed according to plan provisions.